



United States Department of the Interior

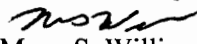
OFFICE OF THE SECRETARY
Washington, DC 20240



AUG 24 2006

FINANCIAL ADMINISTRATION MEMORANDUM 2006 – 010(II.J)

To: Bureau Assistant Directors, Administration
Chief Executive Officer, National Business Center
Bureau Finance Officers
Finance Officer, Financial Management Services
Director, Office of Acquisition and Property Management

From: 
Mona S. Williams
Focus Leader, Asset and Debt Management
Office of Financial Management

Subject: Financial Current Value of Funds Rate

Attached is a copy of the Federal Register dated July 28, 2006, Volume 71, No. 145, page 42894, which contains the revised Current Value of Funds Rate (CVFR) for calendar year 2006. The CVFR has been revised to 4 percent for the period beginning on July 1, 2006, and ending on December 31, 2006.

The CVFR is required for use in the following financial calculations:

- Assessing interest charges for outstanding debts on claims owed to the Federal Government.
- Determining whether to accept cash discounts by paying early. Prompt Payment rules require agencies to analyze the total costs and total benefits to the government of accepting a discount and paying early. The discount conversion formula is available at <http://www.fms.treas.gov/prompt/formulas.html>.
- Determining when to pay purchase card invoices when a rebate is offered by the credit card issuer. Prompt Payment rules require agencies to analyze the total costs and benefits to the government of taking advantage of a credit card issuer's rebate offered for early payment. A spreadsheet at <http://www.fms.treas.gov/prompt/rebate.html> automatically calculates the net savings for credit card invoices if payment is made early versus the Prompt Payment due date. The spreadsheet requires input of both the basis points offered by the credit card provider and the CVFR in effect.

Should you have any questions on this subject, please contact Jonathan House on (202) 219-4096.

Attachment

Prior Financial Administration
Memorandums on this Subject:

No. 2005-018 (II.J.), December 22, 2005 - Active

No. 2005-02 (II.J.), February 3, 2005 - Inactive